

NSC BRIEFING

*500 U.S. CITIZENS
IN SUMATRA - MOSTLY OIL.
INDONESIA*

10 April 1957

- I. Sukarno's new hand-picked cabinet, strongly leftist in tinge, is unlikely to have much authority outside Java.
 - A. Although non-Communist new premier Djuanda is well-respected, four of 24 man cabinet are prominent fellow travellers.
 - B. With few exceptions, remainder are technicians or third-string political leaders.
 - C. Communists have praised new regime as "politically appropriate and reliable."
- II. New Gov't prime tasks, as prescribed by Sukarno, include formation of National Advisory Council, restoration of "unitary" state.
 - A. Moslems, particularly Masjumi, greatly dissatisfied.
- III. Dissidents in outer islands unlikely to accept new Gov't: instead, will continue consolidate local autonomy.
 - A. However, Djuanda cabinet likely to operate with reasonable effectiveness within Java, as long as supported by army headquarters and provincial Javanese commanders.

B. Sukarno, meanwhile, will continue efforts to subvert, intimidate outer island opponents.

1. Recent abortive coup ^{by} Javanese in S. Sumatra--where situation now very tense ^{by} appears to be example of this type Sukarno intrigue. 25X6

2.

3. There are about 700 American citizens on Sumatra and Java (largest group is with oil companies, second largest group is U.S. officials)
 1. Military Liaison Group in Manila (responsible for evacuations) keeping close on situation.

NSC BRIEFING

10 April 1957

INDONESIA

- I. Sukarno's personal "emergency extraparliamentary business cabinet", installed 10 Apr, has a strong leftist tinge and is unlikely to have much authority outside Java.
 - A. New prime minister is Djuanda--a non-Communist non-party man who is respected for honesty and technical competence as economist and engineer.
 1. Djuanda is not strong personality, however, and will almost certainly acquiesce to Sukarno's domination.
 - B. 24-man cabinet includes four prominent fellow travelers--including as Minister of Education a 1954 recipient of a Stalin "peace prize".
 1. Foreign Minister is Subandrio, former ambassador to Moscow, who played leading role in obtaining Indonesian acceptance of Soviet aid agreement.
 2. With few exceptions, remainder are technicians or obscure political leaders.
 - C. Communists have welcomed cabinet and praised it as "politically appropriate and reliable."
- II. As prescribed by Sukarno, first task of new Gov't is to establish "National Advisory Council" in accordance with president's "concept" of "guided democracy."
 - A. Five-point program, also outlined by Sukarno, stresses restoration of unitary state, "struggle" against "imperialism," economic development.

III. Moslem reaction, particularly by Masjumi, reveals strong dissatisfaction with new Gov't.

A. Masjumi chairman Natsir denounced Sukarno's action as unconstitutional: party expelled Mohammed Noor, who had accepted minor cabinet post.

1. Noor is strictly a third-stringer with a background in engineering.

B. Opportunistic Nahdlatul Ulama (NU), divided over participation of 4 party members in cabinet, has decided not to withdraw these ministers for "two or three months". NU is apparently awaiting popular reaction to cabinet's moves.

IV. Dissident leaders in outer islands are unlikely to accept new Gov't on grounds it includes pro-Communists, but not Hatta--who is now object of Djakarta press smear campaign.

A. On Java, however, Djuanda Gov't probably will operate with reasonable effectiveness as long as it retains support of army headquarters and provincial Javanese commanders.

B. Meanwhile, Sukarno can be expected to continue his efforts to undermine anti-Djakarta movements in outer islands, and to intimidate his opponents on Java.

C. Recent abortive coup in S. Sumatra by Javanese army units in is example of type of pressure Sukarno will use.

1. S. Sumatran commander's reaction--arming of rightist, anti-Djakarta civilians to prevent establishment of "Javanese beachhead"--reportedly has greatly increased tension in area.

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